

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

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Order Instituting Rulemaking on the  
Commission's Own Motion for the Purpose  
of Considering Policies and Guidelines  
Regarding the Allocation of Gains from  
Sales of Energy, Telecommunications, and  
Water Utility Assets

Rulemaking 04-09-003  
(Filed September 2, 2004)  
**(Phase Two)**

**REPLY COMMENTS OF CALIFORNIA-AMERICAN WATER COMPANY (U 210 W)  
ON THE PROPOSED DECISION OF COMMISSIONER PEEVEY AND THE  
ALTERNATE PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE THOMAS**

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Attorney for  
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Date: August 27, 2007

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**I. Introduction**

In accordance with Rule 14.3 of the California Public Utilities Commission ("CPUC" or "Commission") Rules of Practice and Procedure, California-American Water Company ("California American Water") hereby submits its reply comments on the Proposed Decision of President Michael R. Peevey ("PD") and the Alternate Proposed Decision of Administrative Law Judge Thomas ("APD"), both of which were mailed August 2, 2007.

**II. Discussion**

In its reply comments, the California Water Association ("CWA") addressed the opening comments of the Division of Ratepayer Advocates ("DRA") and the City of Fontana ("Fontana"). California American Water joins in the reply comments of the CWA ("CWA Reply Comments"). California American Water's decision not to address any other opening comments in this proceeding should not be construed as agreement with those comments.

### III. Conclusion

For the reasons stated in the CWA Reply Comments and the opening comments of California American Water and CWA, California American Water respectfully recommends that the Commission adopt the PD of President Peevey and disregard the comments of DRA and Fontana.

Dated: August 27, 2007

Respectfully submitted,

By: *Darlene Clark* /s/ *140*  
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**PROOF OF SERVICE**

I, Cinthia A. Velez, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On August 27, 2007, I served the within:

***Reply Comments of California-American Water Company (U 210 W) on  
the Proposed Decision of Commissioner Peevey and the Alternate  
Proposed Decision of Administrative Law Judge Thomas***

on the interested parties in this action addressed as follows:

***See attached service list***



**(BY HAND SERVICE)** By causing such envelope to be delivered by hand, as addressed by delivering same to SPECIALIZED LEGAL SERVICES with instructions that it be hand served.



**(BY PUC E-MAIL SERVICE)** By transmitting such document(s) electronically from Steefel, Levitt & Weiss, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practices of Steefel, Levitt & Weiss for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.1 of the Public Utilities Commission of the State of California and all protocols described therein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on August 27, 2007, at San Francisco, California.

  
Cinthia A. Velez

**SERVICE LIST**  
**R.04-09-003**  
**(Updated August 23, 2007)**

**VIA HAND DELIVERY**

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Division of Administrative Law Judges  
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